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WRITER'S E-MAIL

May 28, 1998

RECORDATION NO. 20603-A FILED

MAY 28 '98

2-44 PM

VIA HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Recordation Pursuant to 49 U.S.C. § 11301

Dear Mr. Secretary:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. § 11301 please find an original counterpart and a certified true copy of a Partial Termination and Release of Security Agreement ("the Release"), a secondary document under 49 C.F.R. § 1177.1(b). The primary document with which this Release is associated is recorded at Recordation No. 20603.

The names and addresses of the parties to the Release are as follows:

Mortgagor: (Debtor)	Lake State Railway Company 323 Newman Street P.O. Box 232 East Tawas, MI 48730
Mortgagee: (Secured Party)	Comerica Bank 4900 Eastman Avenue Box 993 Midland, MI 48640-0993

The property covered by the Release includes the railcars listed in Annex A to the Release.

A fee of \$24.00 is enclosed. Please return any additional copies of the Release not needed to:

Counter Part - Partial Release

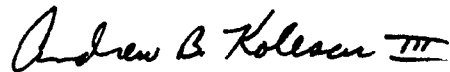
The Hon. Vernon A. Williams
May 28, 1998
Page 2

Andrew B. Kolesar III
Slover & Loftus
1224 Seventeenth St., N.W.
Washington, D.C. 20036

A short summary of the document to appear in the index follows:

A Partial Termination and Release of Security Interest between Lake State Railway Company, 323 Newman Street, East Tawas, MI 48730, and Comerica Bank, 4900 Eastman Avenue, Box 993, Midland, MI 48640-0993, dated May 8, 1998, regarding the purchase and financing of rail cars.

Sincerely,

A handwritten signature in black ink that reads "Andrew B. Kolesar III". The signature is written in a cursive style with a prominent "A" and a stylized "K".

Andrew B. Kolesar III
An Attorney for Lake State
Railway Company

Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

OFFICE OF THE SECRETARY


DATE: 5/28/98

Andrew B. Kolesar III
Slover & Loftus
1224 Seventeenth St., NW.,
Washington, DC., 20036

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301
49 CFR 1177.3(c), on 5/28/98 at 2:44PM, and
assigned recordation number(s).21052-A, 21052-B and 20603-A.

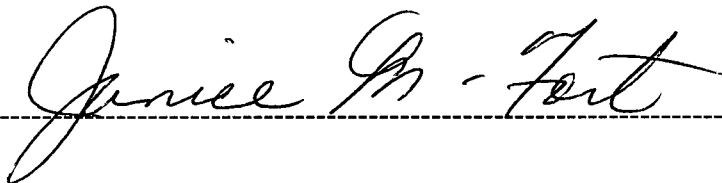
Sincerely Yours,


Vernon A. Williams

Enclosure(s)
78.00

\$-----The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature-----



RECORDATION NO. 20603-A FILED

MAY 26 '98

2-44 PM

PARTIAL TERMINATION AND RELEASE
OF SECURITY INTEREST

The undersigned, Comerica Bank, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, terminates, releases and discharges its security interest, lien, chattel mortgage and other interest in and to the railroad cars specifically identified on the Description of Released Personal Property attached hereto as Annex A (the "Equipment"), which security interest was granted pursuant to the following agreement, previously recorded with the Surface Transportation Board: that certain Security Agreement (Equipment), dated as of March 27, 1997, executed by Lake State Railway Company, as debtor, in favor of Comerica Bank (the "Bank") (Recordation Number 20603; Recorded on March 28, 1997), as amended from time to time (the "Security Agreement").

The security interest, chattel mortgage and other interests being terminated and released pertain solely to the Equipment; the Bank's security interest, chattel mortgage and other interests granted pursuant to the Security Agreement identified above, with respect to collateral other than the specified Equipment, otherwise remain intact and unaffected by this partial termination and release.

Dated as of this 8th day of May, 1998.

COMERICA BANK

By: David H. Fuhrhop

Name: David H. Fuhrhop

Its: Regional President

STATE OF MICHIGAN)
) ss
COUNTY OF Midland)

On this 8th day of May, 1998, before me personally appeared David H. Fuhrhop, to me personally known, who, being by me duly sworn, says that he is a Regional President of Comerica Bank, that he is duly authorized to sign the foregoing instrument on behalf of Comerica Bank, and that said instrument was signed on behalf of Comerica Bank, and he acknowledged that the execution of the foregoing instrument was the free act and deed of Comerica Bank.

F. Marian Ault
Notary Public F. Marian Ault

(Notarial Seal)

My Commission Expires: 5/14/2001

DISTRICT OF COLUMBIA)
) ss

I hereby certify that on this _____ day of _____, 199____, I compared the foregoing copy of the _____ 199____ "Partial Termination and Release of Security Interest" executed by _____ of Comerica Bank, 500 Woodward Avenue, Detroit, Michigan 48226, with the original executed version of the same, and found the copy to be complete in all respects to the original document.

Notary Public

(Notarial Seal)

My Commission Expires: _____

Annex A

Description of Released Personal Property

CERTAIN ROLLING STOCK BEARING THE NUMBERS THAT FOLLOW:

15 rail cars identified as follows:

LSRC	5409
LSRC	5413
LSRC	5428
LSRC	5431
LSRC	5436
LSRC	5438
LSRC	5467
LSRC	5469
LSRC	5494
LSRC	5703
LSRC	5708
LSRC	5715
LSRC	5724
LSRC	5735
LSRC	5738